

**LIST OF ITEMS REQUIRING  
SPECIAL ATTENTION AND APPROVAL  
FOR LARGE CONTRACTS  
AND SIMPLIFIED ACQUISITIONS**

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Subj: ADVANCE PAYMENTS

General Rule: Advance payments may be provided on any type contract; however, advance payments are authorized sparingly. Except for the contracts described in FAR 32.403(a) and (b), advance payment is the least preferred method of contract financing. An advance payment is one made to the contractor before supplies or services are inspected and accepted by the Government. Progress Payments, Partial Payments and Fast Payment orders are NOT considered advance payments.

- Exceptions:
1. Rentals, as authorized by Section 606 of the Department of Defense Appropriation Act, 1960 or by 10 U.S.C. 2396 or by other legislation specifically authorizing advance payment of rent.
  2. Tuition, as authorized by 10 U.S.C. 2396(a)(3).
  3. Authorized insurance premiums, including insurance of official motor vehicles in foreign countries as authorized by Section 603 of the Department of Defense Appropriation Act, 1960.
  4. Expenses of investigations in foreign countries, as authorized by Section 603 of the Department of Defense Appropriation Act, 1960 or by other legislation authorizing payments for such expenses.
  5. Extension or connection of public utilities for government buildings or installations, as authorized by Military Construction Authorization Acts.
  6. Subscriptions to publications, as authorized by 31 U.S.C. 3324(d)(2).

Subj: ADVANCE PAYMENTS (Continued)

7. Purchases of goods or services in foreign countries, when the purchase price does not exceed \$10,000 or equivalent amount of applicable foreign currency and advance payment of the purchase price or of a part thereof is required by and made in compliance with the laws or regulations of the foreign country concerned, as authorized by 10 U.S.C. 2396(a)(1).
8. Enforcement of the customs or narcotics laws.
9. Other types of transactions excluded by agency procedures under statutory authority.
10. Advertising for military recruitment in high school and college publications not to exceed \$500.00 under any single contract.
11. Contracts (not simplified acquisition procedure purchases) may authorize advance payments. Requests for advance payments must be submitted to the Director, Office of Financial Management Systems (NCF), Office of Navy Comptroller, via the Assistant Secretary of the Navy, Research, Development and Acquisition (OASN(RD&A)(ABM)).

References:

FAR 32.4  
DFARS 232.4  
NAPS 5232.402  
10 U.S.C. 2307  
10 U.S.C. 2396  
10 U.S.C. 3324  
DoD Appropriations Act, 1960  
Sections 603 and 606  
NAVSUPINST 4200.85C

Subj: ADVERTISING

General Rule:

Advertising contract actions are not authorized unless specific approval has been granted in accordance with NAPS 5205.5. For civilian personnel advertising, the Secretary has delegated the approval authority to officers in command and officers in charge of all Navy and Marine Corps field activities. Authority to approve the publication of paid advertising in newspapers for all other purposes is delegated, without power of redelegation, to the Chief of the Contracting Office.

Note that synopsisizing in the Commerce Business Daily as required by FAR 5.2 is not included in this general prohibition.

Note also that military recruitment advertising in high school and college publications may be paid in advance, but not in excess of \$500 per single contract.

The Secretary of the Navy has delegated authority for Navy recruiting advertising to the Commander, Navy Recruiting Command (NAVCRUITCOM) and Commander, Naval Reserve Force (COMNAVRESFOR) with power of redelegation as follows:

NAVCRUITCOM - Area Recruiting Commanders \$5000 or less, Recruiting District Commanding Officers \$1000 or less. Orders placed against Direct Mail and Media Buying contracts have been approved by an annual Blanket DD Form 1535 and do not need separate approvals.

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Subj: ADVERTISING

COMNAVRESFOR - Naval Reserve Readiness  
Commander, Commanders, Naval Air Station,  
Naval Air Reserves or Naval Air Facility  
Commanding Officer \$5000 or less.

Echelon IV Commanding Officers \$1000 or  
less.

Exceptions: None.

References: FAR 5.5  
DFARS 205.5  
NAPS 5205.5  
COMNAVCRUITCOMINST 1140.3 (series)  
(Navy Recruiting)  
SECNAVINST 12330.2D (series)  
(Civilian Recruiting)  
Section 332-1-9 of the Federal Personnel  
Manual dtd 7 May 81  
44 U.S.C. 3702  
5 U.S.C. 302(b)

Subj: AIRLIFT ASSETS

General Rule:

Acquisition of commercial aircraft include commercial aircraft acquired by lease, contract, charter or any other procurement technique for the purpose of providing Operational Support Airlift (OSA) transportation. DON airlift assets include all transport/utility type fixed and rotary wing aircraft (regardless of size) that provide air transportation for passengers and cargo. The Chief of Naval Operations (CNO) prescribes overall airlift, aircraft policy for the DON within guidelines established by DoD. DON airlift scheduling authorities/activities are listed in enclosure (1) to OPNAVINST 4631.2C. The two basic documents required to arrange airlift support are the "AIRLIFT REQUEST" and the "FLIGHT ADVISORY." Requirements for OSA shall be documented using the "Airlift Request" transmitted to the appropriate scheduling activity and Navy Air Logistics Office (NALO).

Exceptions:

1. The scheduling authority has made a determination that the requested service is essential to the accomplishment of the mission or is the most cost-effective method of satisfying the movement requirement. In the case of acquisition by lease or contract (excluding charter flights), prior approval of the CNO has been obtained and proper notification of intent to procure aircraft for such purpose has been given to the Assistant Secretary of Defense (Production and Logistics).

2. Navy may issue contracts for commercial airlift services for technical and operational airlift, limited to support of research and development, engineering and production, and test and



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Subj: AIRLIFT ASSETS (Continued)

evaluation purposes, using only approved DoD carriers. Regular point-to-point passenger and cargo service remains under the purview of the U.S. Transportation Command and its components (Air Mobility Command and Military Sealift Command.)

References:

DoD Directive 4500.43 (series)  
OPNAVINST 4631.2C (series)  
CNO ltr 4632 Ser N413T, 13 AUG 1992

Subj: ASBESTOS AND ASBESTOS-CONTAINING MATERIALS

General Rule: Purchase of asbestos or asbestos-containing materials requires compliance with special requirements for marking and packaging and with special contract file retention requirements because of the hazardous nature of asbestos. The special requirements are summarized below:

1. Asbestos Certification for written solicitations. Incorporate the clause at FAR 52.223-3, Hazardous Material Identification and Material Safety Data, in solicitations and contracts for contractor certification of asbestos or asbestos-containing materials required during performance of the contract.

2. Asbestos Marking Requirements. If a proposed contractor gives an affirmative certification to clause FAR 52.223-3, the Contracting Officer must include a requirement that the contractor shall mark shipments in accordance with paragraph 20.4.1 of MIL-STD-129K.

3. Contract File Retention. Purchase and contract files involving asbestos and asbestos-containing products shall be retained indefinitely by the contracting office unless otherwise directed by the Secretary of the Navy. This applies to all originals and non-identical copies. The recording of documents on microfilm or microfiche does not relieve an activity from the requirement to retain all original documents.

NAVSUPINST 4200.85C

Subj: ASBESTOS AND ASBESTOS-CONTAINING MATERIALS (Continued)

4. Submit OPNAV 5212/5(8-85),  
Insulation/Asbestos Records Freeze Annual  
Report, by 31 January to Commander, Naval  
Sea Systems Command, Navy Asbestos  
Litigation Support Office, (NAVALSO/SEA  
07L).

Exceptions: None

References: SECNAVINST 5212.10A (series)

Subj: BLACK OXIDE COATED BRASS THREADED FASTENERS

General Rule: Procurement of brass or copper alloy fasteners coated with black oxide, with characteristics as listed below is not authorized due to the potential serious problem in the misapplication of these fasteners during maintenance actions on surface ship Level 1 systems.

Characteristics:

Hexagonal Nut

Size - 1/4" to 1 5/8 in diameter

Threads - UNC B - 8 to 22 threads per inch

NSNs removed are:

5310-00-939-2653	5310-00-855-1102
5310-00-903-3996	5310-00-167-1371
5310-00-903-3994	5310-00-141-3034
5310-00-913-5474	5310-00-056-3394
5310-00-913-5475	5310-00-786-4599
5310-00-913-5476	
5310-00-913-5473	
5310-00-905-2669	
5310-00-903-3991	
5310-00-436-7218	

Exceptions: None

Reference: COMNAVSUPSYSCOM Washington 010027Z JUL 92  
COMNAVSUPSYSCOM Washington 211200Z OCT 94

Subj: CALLING CARDS, BUSINESS CARDS AND EMPLOYEE IDENTIFICATION TAGS

General Rule: The use of appropriated funds to buy items viewed as personal expenses is prohibited. The General Accounting Office (GAO) views calling or business cards as personal expenses which may not be paid for with appropriated funds, in the absence of specific statutory authority to do so. The GAO, however, distinguishes between the purchase of employee identification tags and the purchase of calling or business cards.

Exception: GAO has determined that employee identification tags are not personal in nature. Therefore, activities may use appropriated funds to purchase these items (for use by military and/or civilian employees) when the requiring activity/command determines that use of employee identification tags is necessary for mission accomplishment and mandates their use. These items will remain the property of the Government. (SEE ALSO "Uniform Items" Page 40-1)

Reference: B-237236, 69 Comp. Gen. 129, 11 DEC 89

Subj: CHRISTMAS DECORATIONS AND OTHER SEASONAL DECORATIONS

General Rule:      Seasonal Decorations: The purchase of seasonal decorations has been reviewed by the Navy Comptroller. Because of the varying situations involved with procuring seasonal decorations, specific guidance is not possible. However, the following general information applies:

Any decision to use appropriated funds for seasonal decorations must consider local customs and constitutional issues such as the freedom of speech and religion. Therefore, it is appropriate that decisions to use appropriated funds for these items be made by installation commanders within the context of local customs and practices. Additionally, installation commanders are responsible for the use of base resources and are; therefore, in the best position to ensure the exercise of prudence and discretion in authorizing the purchase and display of seasonal decorations.

General Rule:      Christmas Cards: The purchase of Christmas cards is generally not a proper charge against appropriated funds.

Exceptions:      There is no objection to the use of non-appropriated funds for these purposes.

References:      B-133991, 37 Comp. Gen. 360, 25 NOV 67  
                          B-163764, 52 Comp. Gen. 504, 13 FEB 73  
                          B-226011, 67 Comp. Gen. 87, 17 NOV 87  
                          B-226900, 67 Comp. Gen. 87, 17 NOV 87  
                          B-226781, Unpublished, 11 JAN 88

Subj: COFFEE POTS, COFFEE, "REFRESHMENTS"

General Rule: Unless the purchase is for an authorized mess, as discussed in NAVSUP Publication 486 and BUPERSINST 1710.13, the purchase of coffee pots, coffee, cups, or other "refreshments" items is generally not a proper charge to appropriated funds. The General Accounting Office has held that serving coffee or other refreshments may be desirable, but cannot be said to be a "necessary expense" as this term is used in the various appropriation acts. Such items are considered personal items which employees are expected to provide at their own expense. This general prohibition includes refreshments served at official ceremonies (e.g., change of command, commissionings, VIP receptions, etc.).

Exceptions:

1. Official representation funds may be used for official entertainment, but only under the guidelines of SECNAVINST 7042.7H.
2. Centers of Influence (COI) events involve furnishing meals to civilians (not Government employees) by contract to a restaurant under the guidelines of COMNAVCRUITCOMINST 4400.1A (series). "Centers of Influence" are individuals within the civilian community who are in a position to influence the attitude of prospective recruits toward the Naval Service.
3. Navy recruiters are authorized to buy meals for recruiting applicants as an "out-of-pocket expense" under the guidelines of COMNAVCRUITCOMINST 4400.1A (series)

Subj: COFFEE POTS, COFFEE, "REFRESHMENTS" (Continued)

References:

B-163764, 47 Comp. Gen. 657, 17 MAY 68  
B-152331, 43 Comp. Gen. 305, 26 SEP 73  
SECNAVINST 7042.7H (series)  
COMNAVCRUITCOMINST 4400.1A (series)  
    Chapters 5 and 6  
NAVSEA Publication S6161-Q5-CAT-010 Naval  
    Shipboard Food Service Equipment  
    Catalog  
NAVSUP Publication 486 Food Service  
    Management -- General Messes  
BUPERSINST 1710.13 (series) Operation of  
    Navy Messes Ashore and Package Stores



Subj: COMMERCIAL VEHICLES, PURCHASE OF

General Rule: The Commander, Naval Facilities Engineering Command is assigned responsibility for administration and procurement of Civil Engineering Support Equipment (CESE). CESE consists of automotive vehicles (cars, trucks, buses), construction, refuse collection, railway, and special category transportation equipment (SCTE). Material handling equipment is not included. Technical and management responsibilities for the transportation equipment program are handled by NAVFAC Transportation Equipment Management Centers (TEMC's.)

Pacific Division (PACDIV) TEMC supports all field activities in the geographic area covered by WESTDIV, SOUTHWESTDIV, and PACDIV Engineering Field Divisions (EFDs), TEL: (808) 471-8411.

Atlantic Division (LANTDIV) TEMC supports all field activities in the geographic area covered by NORTHDIV, Chesapeake Division (CHESDIV), SOUTHDIV and LANTDIV EFDs, TEL: (804) 445-8825; DSN 565-8825.

LANTDIV provides major claimant support to CINCLANTFLT, CINCUSNAVEUR, CNET, COMNAVRESFOR, and the Washington DC based claimants.

LANTDIV coordinates procurement in Europe and PACDIV coordinates procurement in the Pacific Region.

Exceptions: None.

References: NAVFAC Publication P-300, Management of Transportation Equipment dtd SEP 92

Subj: COMMERCIAL OR GSA VEHICLES, RENTAL/LEASE OF  
(Without Drivers)

Definitions: Rental: Acquisition of GSA or commercial vehicles not exceeding 60 days.

Lease: Acquisition of GSA or commercial vehicles for periods exceeding 60 days.

General Rule: Rentals for 60 calendar days or less normally should be processed by the public works officer; however, if the activity does not have a public works officer attached or if the public works officer does not have contracting authority adequate to handle the requirement, NAVSUP contracting authority may be used for rentals of 60 calendar days or less. The exercise of NAVSUP contracting authority for short term (60 days or less) rentals of commercial vehicles is intended to provide the commanding officer of the activity with the flexibility to meet peak or unplanned vehicle needs and is authorized by DoD REG. 4500.36-R(series), Management, Acquisition and Use of Motor Vehicles.

Activities are to submit requests for all vehicles to be leased for more than 60 days to the cognizant NAVFAC Transportation Equipment Management Center (TEMC) for approval. The requesting activity must provide adequate written justification and an approved Claimant allowance for the equipment code requested. After all required approvals are obtained, the lease should be executed by a NAVFAC contracting activity such as the Activity Public Works Officer/Officer in Charge or a NAVFAC Engineering Field Division. SEE ALSO Page 9-1.

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Subj: COMMERCIAL OR GSA VEHICLES, RENTAL/LEASE OF  
(Without Drivers)

Exceptions: None.

Reference: DoD REG. 4500.36R (series)  
NAVFAC Publication P-300, Management of  
Transportation Equipment dtd SEP 92

Footnote: Rental of vehicles may not include payment  
of premiums for liability insurance, since  
the Government is self-insured.

Subj: COMMERCIAL VEHICLES WITH DRIVERS FOR THE PURPOSE OF  
TRANSPORTING SUPPLIES OR PERSONNEL, RENTAL OF

General Rule: Requirements for transporting supplies is a function of each activity's material transportation officer who may issue a Government Bill of Lading to effect movement of supplies. (See "Purchase of Transportation" on Page 39-1). The passenger transportation office at your local personnel support activity will process personnel movement requirements by issuance of a Travel Request (TR) document to the appropriate carrier provided in the Joint Travel Regulations.

Exceptions: None.

References: For supplies: NAVSUP Manual Volume 5  
NAVSUPINST 4600.70(series),  
Military Traffic  
Management Regulation

For personnel: OPNAVINST 1000.23 (series)  
NAVSUPINST 4600.70 (series)  
Joint Travel Regulations,  
Paragraph 4100 and  
Appendix J

Subj: CONSTRUCTION AND OTHER NAVFAC SERVICES/SUPPLIES

General Rule: Contracting Officers of the Naval Facilities Engineering Command buy construction. NAVSUP contracting officer's should generally refer construction requirements to a construction activity. However, this general rule does not apply to normal "installation" of equipment purchased under NAVSUP contracting authority.

Construction means erection, installation or assembly of a new facility, the addition, expansion, extension, alteration, conversion or replacement of an existing facility, the acquisition or relocation of a facility and includes the repair and maintenance of building and public works, and equipment installed and made a part of such facilities. It includes dredging, excavating, and painting of buildings, structures or other real property. For purposes of this definition, the terms "buildings, structures or other real property" include but are not limited to improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels.

Construction does not include the manufacture, production, furnishing, construction, alteration, repair, processing or assembling of vessels, aircraft or other kinds or personal property.

Construction Activity means an activity, at any organizational level of the Military Departments, which has responsibility for the architectural, engineering, and other

Subj: CONSTRUCTION AND OTHER NAVFAC SERVICES/SUPPLIES  
(Continued)

related technical aspects of the planning, design, and construction of facilities and which receives its technical guidance from the Army Office of the Chief of Engineers, Naval Facilities Engineering Command (NAVFAC), or Air Force Directorate of Civil Engineering. Station public works officers should process construction requirements either by using their own contracting officer authority or by referral to the cognizant NAVFAC office.

Note that guard services, lawn-mowing services, grounds maintenance services, landscaping services, lease of offices and other real property, custodial/janitorial services, fire protection services, forestry services (timber contracts, tree cutting and harvesting, tree marking, clearing and pruning services, cutting fire lanes, etc.) are within the purview of NAVFACENGCOM. Also within NAVFAC's responsibility are supply contracts for the purchase of specialized functions (including four-wheel drive vehicles for foresters; fire trucks; earth-moving and other construction vehicles and equipment, etc.). Also included is lease of real property.

For repair services involving central heating and cooling equipment, the general rule is: If the repair is made on-site, the requirement is a NAVFAC contracting responsibility. If the repair is made in the contractor's shop, the repair is a NAVSUP contracting responsibility. However, since portable and window type units are considered personal property items, repair of these items is a NAVSUP contracting responsibility.